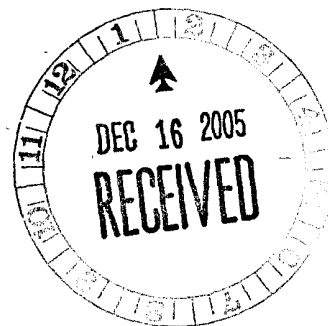


ORIGINAL

215371

BEFORE THE
SURFACE TRANSPORTATION BOARD



GREGORY B. CUNDIFF, CONNIE)
CUNDIFF, CGX, INC., AND) FINANCE DOCKET
IRONHORSE RESOURCES, INC. --) NO. 34809
CONTROL EXEMPTION -- CANEY)
FORK AND WESTERN RR, INC.)

FILED

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)

GREGORY B. CUNDIFF
1247 Rutherford Ridge
O'Fallon, IL 62269

CONNIE CUNDIFF
1247 Rutherford Ridge
O'Fallon, IL 62269

CGX, INC.
P.O. Box 99
102 Willow Drive
O'Fallon, IL 62269

IRONHORSE RESOURCES, INC.
P.O. Box 99
102 Willow Drive
O'Fallon, IL 62269

Applicants

RECEIVED

DEC 16 2005

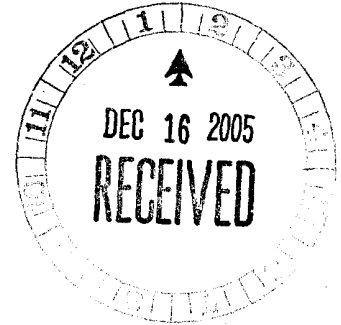
SURFACE
TRANSPORTATION BOARD

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1194
(312) 236-0204

Attorney for Applicants

Date Filed: December 16, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD



GREGORY B. CUNDIFF, CONNIE)
CUNDIFF, CGX, INC., AND) FINANCE DOCKET
IRONHORSE RESOURCES, INC. --) NO. 34809
CONTROL EXEMPTION -- CANEY)
FORK AND WESTERN RR, INC.)

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)

Pursuant to the class exemption at 49 C.F.R. § 1180.2(d)(2), GREGORY B. CUNDIFF (Mr. Cundiff), CONNIE CUNDIFF (Mrs. Cundiff), CGX, Inc. (CGX) and IRONHORSE RESOURCES, INC. (Ironhorse) hereby provide this verified notice of exemption from 49 U.S.C. § 11324 for their control of CANEY FORK AND WESTERN RR, INC. (CFWR), a Class III rail carrier subject to Board jurisdiction.

INFORMATION REQUIRED BY 49 C.F.R. § 1180.4(g)(1)(i)

(1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:

A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

The proposed transaction is control of CFWR by Mr. and Mrs. Cundiff, CGX and Ironhorse. Mr. and Mrs. Cundiff have an agreement to acquire a controlling interest in the stock of CFWR. The parties intend to consummate the control not sooner than seven days after filing that notice of exemption.

CFWR will be owned by CGX, a noncarrier holding company. CGX owns Ironhorse, a noncarrier holding company. CGX is owned by Mr. and Mrs. Cundiff, noncarrier individuals.

CGX and Ironhorse own the following rail carriers:

| <u>Rail Carrier</u> | <u>Owner</u> |
|--|--------------|
| Mississippi Tennessee Railroad, LLC | CGX |
| Lone Star Railroad, Inc. | CGX |
| Rio Valley Railroad, Inc. | CGX |
| Railroad Switching Service of Missouri | Ironhorse |
| Texas Railroad Switching, Inc. | Ironhorse |
| Rio Valley Switching Company | Ironhorse |
| Southern Switching Company | Ironhorse |

Applicants hereby certify that (1) the properties operated by CFWR and the properties operated by the rail carriers listed above do not connect with each other; (2) the proposed control is not part of a series of anticipated transactions that would connect the carriers with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier. Therefore, pursuant to 49 C.F.R. § 1180.2(d)(2), the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. § 11324.

Applicants are Gregory B. Cundiff, 1247 Rutherford Ridge, O'Fallon, IL 62269, Connie Cundiff, 1247 Rutherford Ridge, O'Fallon, IL 62269, CGX, Inc., P.O. Box 99, 102 Willow Drive, O'Fallon, IL 62269 and Ironhorse Resources, Inc., P.O. Box 99, 102 Willow Drive, O'Fallon, IL 62269.

Applicants' counsel to whom questions may be addressed regarding the proposed transaction is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, (312) 236-0204.

(2) The proposed time schedule for consummation of the proposed transaction.

The proposed transaction is scheduled to be consummated not sooner than seven days after the filing of this notice of exemption.

(3) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The purpose sought to be accomplished by the proposed transaction is achievement of operating efficiency and economy.

(4) A list of the State(s) in which any part of the property of each applicant carrier is situated.

| <u>Rail Carrier</u> | <u>State</u> |
|--|------------------------|
| Mississippi Tennessee Railroad, LLC | Mississippi, Tennessee |
| Lone Star Railroad, Inc. | Texas |
| Rio Valley Railroad, Inc. | Texas |
| Railroad Switching Service of Missouri | Missouri |
| Texas Railroad Switching, Inc. | Texas |
| Rio Valley Switching Company | Texas |
| Southern Switching Company | Texas |
| Mississippi Tennessee Holdings, LLC | Mississippi, Tennessee |
| Caney Fork and Western RR, Inc. | Tennessee |

(5) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

Attached to this notice as Appendix 1 is the required map.

(6) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at Sec. 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.

The written agreement covering the proposed control is attached to this notice as Appendix 2.

(7) Indicate the level of labor protection to be imposed.

The level of labor protection to be imposed is that set forth in *New York Dock Ry. -- Control -- Brooklyn Eastern District*, 360 ICC 60 (1979).

VERIFICATION

Attached to this notice as Appendix 3 is a verification of the statements made in this notice.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

Pursuant to 49 C.F.R. § 1105.6(c)(2), no environmental documentation or report is required for the proposed transactions. Pursuant to 49 C.F.R. § 1105.7(b)(1), no historic documentation or report is required for the proposed transaction.

CAPTION SUMMARY

Attached to this notice as Appendix 4 is the required caption summary.

CONCLUSION

WHEREFORE, the Board should publish this notice of exemption in the *Federal Register* within 30 days of its filing.

Respectfully submitted,

GREGORY B. CUNDIFF
1247 Rutherford Ridge
O'Fallon, IL 62269

CONNIE CUNDIFF
1247 Rutherford Ridge
O'Fallon, IL 62269

CGX, INC.
P.O. Box 99
102 Willow Drive
O'Fallon, IL 62269

IRONHORSE RESOURCES, INC.
P.O. Box 99
102 Willow Drive
O'Fallon, IL 62269

Applicants

Thomas F. McFarland

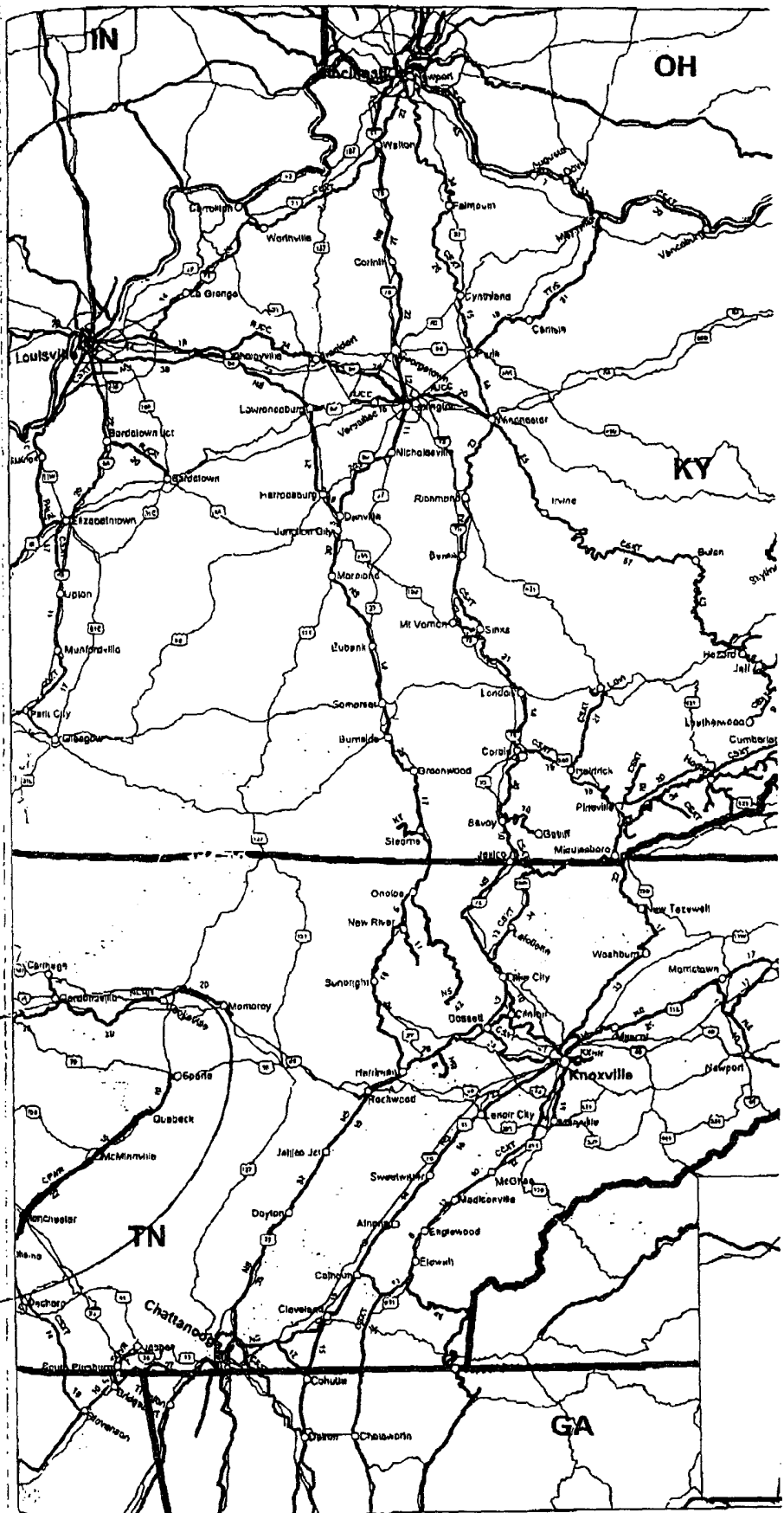
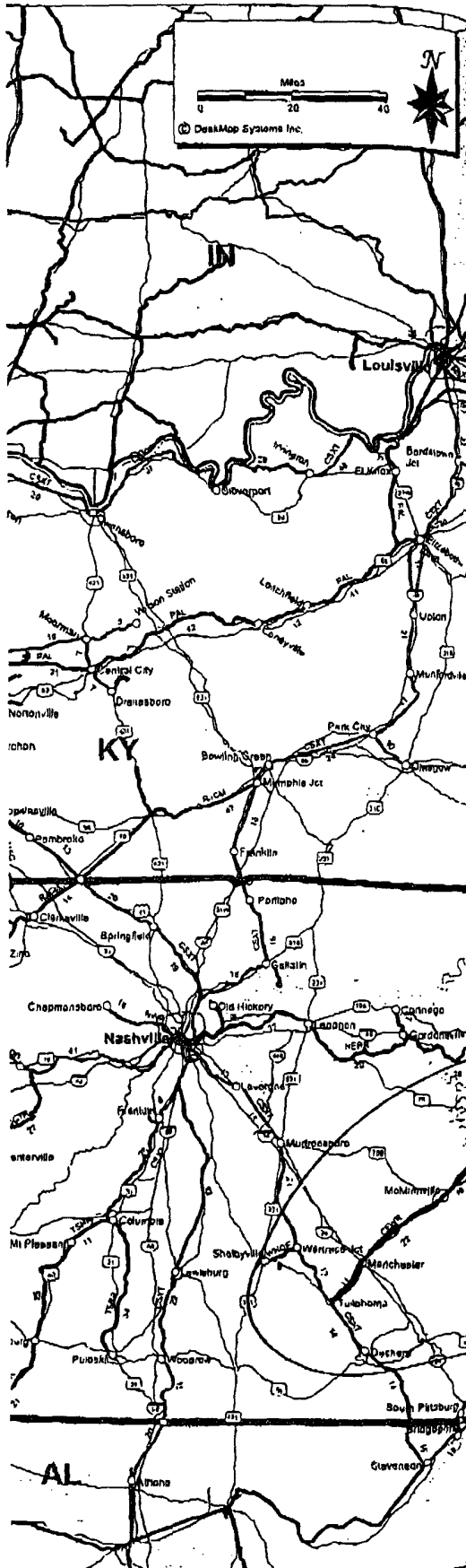
THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1194
(312) 236-0204

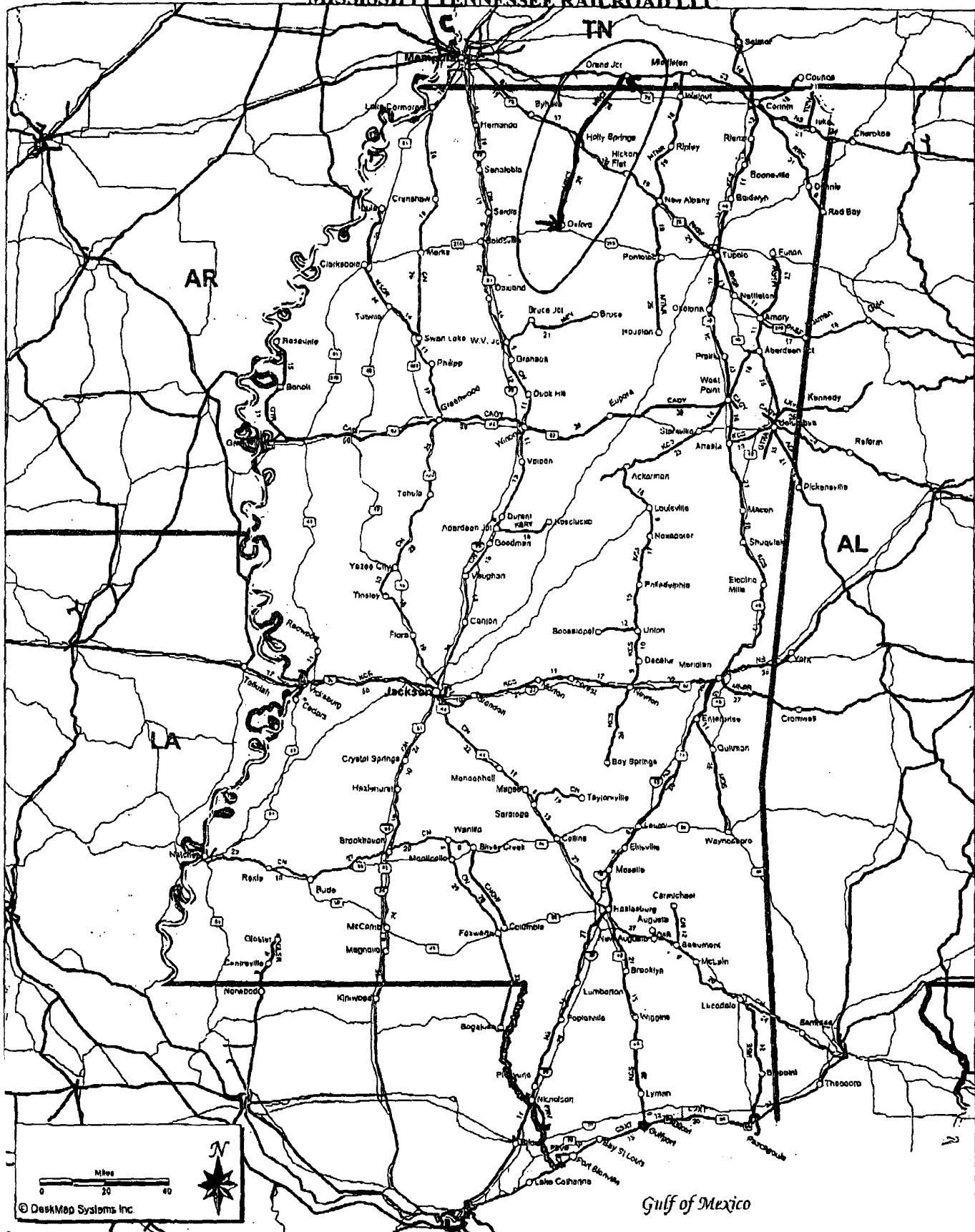
Attorney for Applicants

Date Filed: December 16, 2005

CANEY FORK AND WESTERN RR, INC. APPENDIX 1

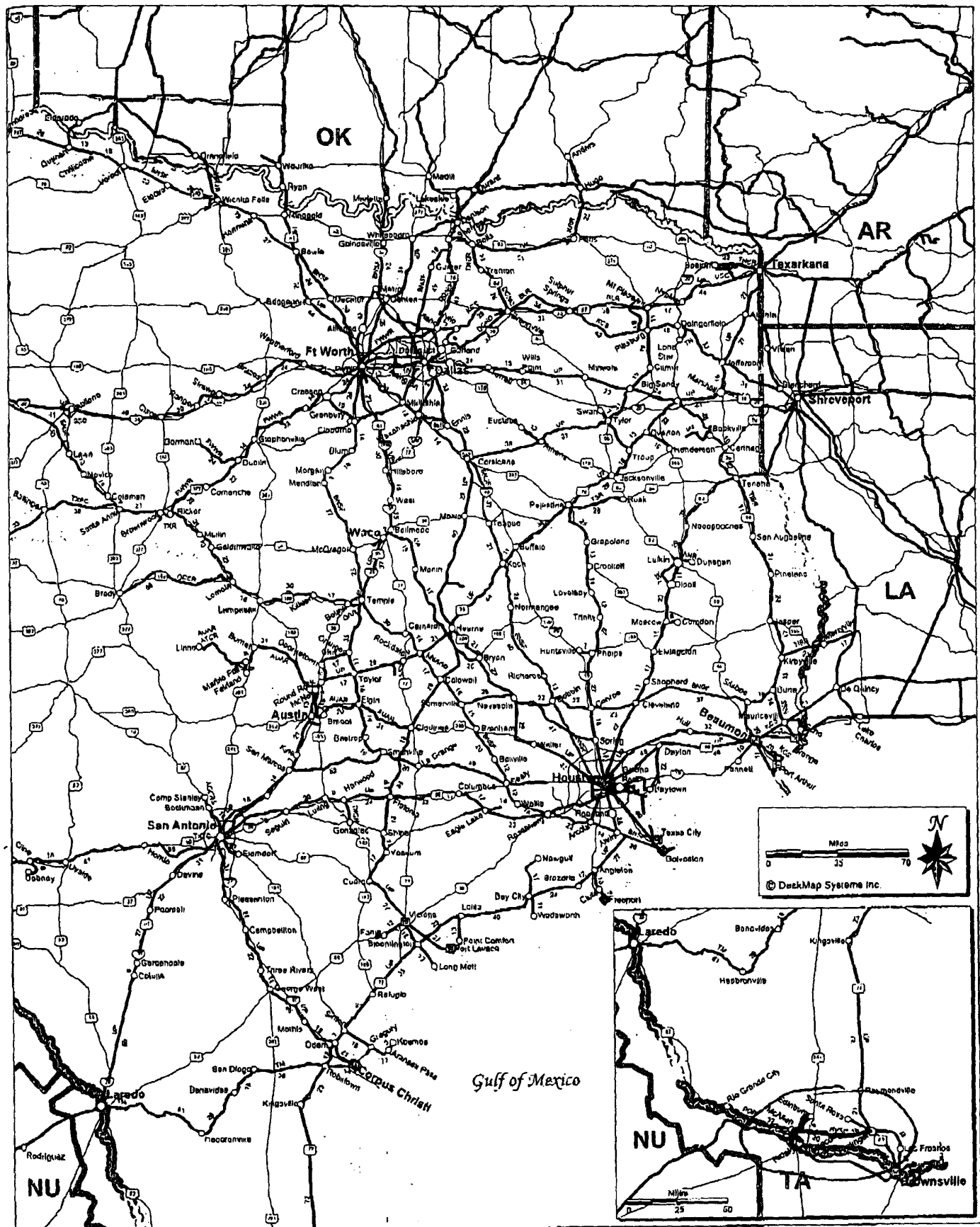
KENTUCKY



**MISSISSIPPI TENNESSEE HOLDINGS LLC
MISSISSIPPI TENNESSEE RAILROAD LLC****MISSISSIPPI**

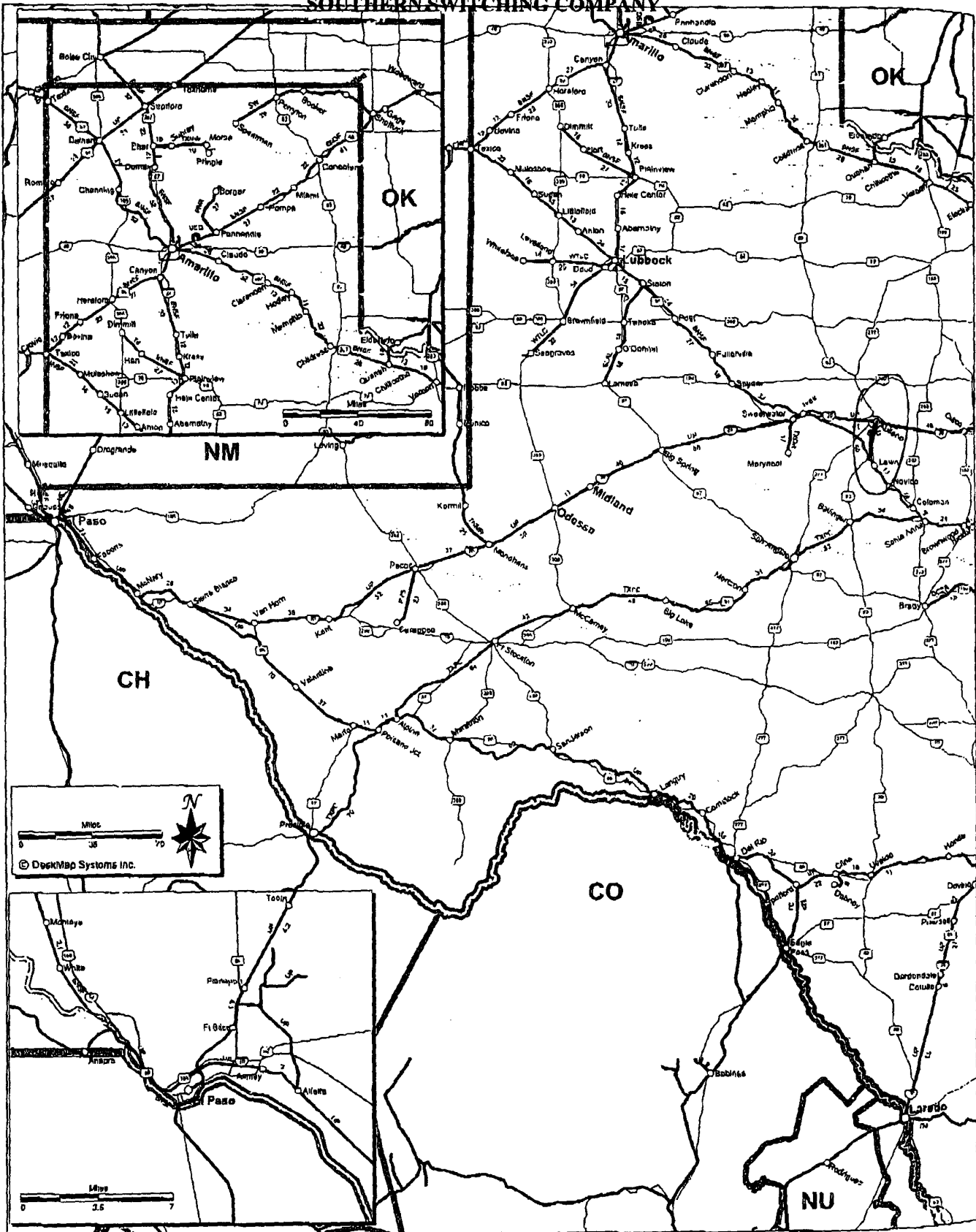
RIO VALLEY RAILROAD, INC.
RIO VALLEY SWITCHING COMPANY

TEXAS



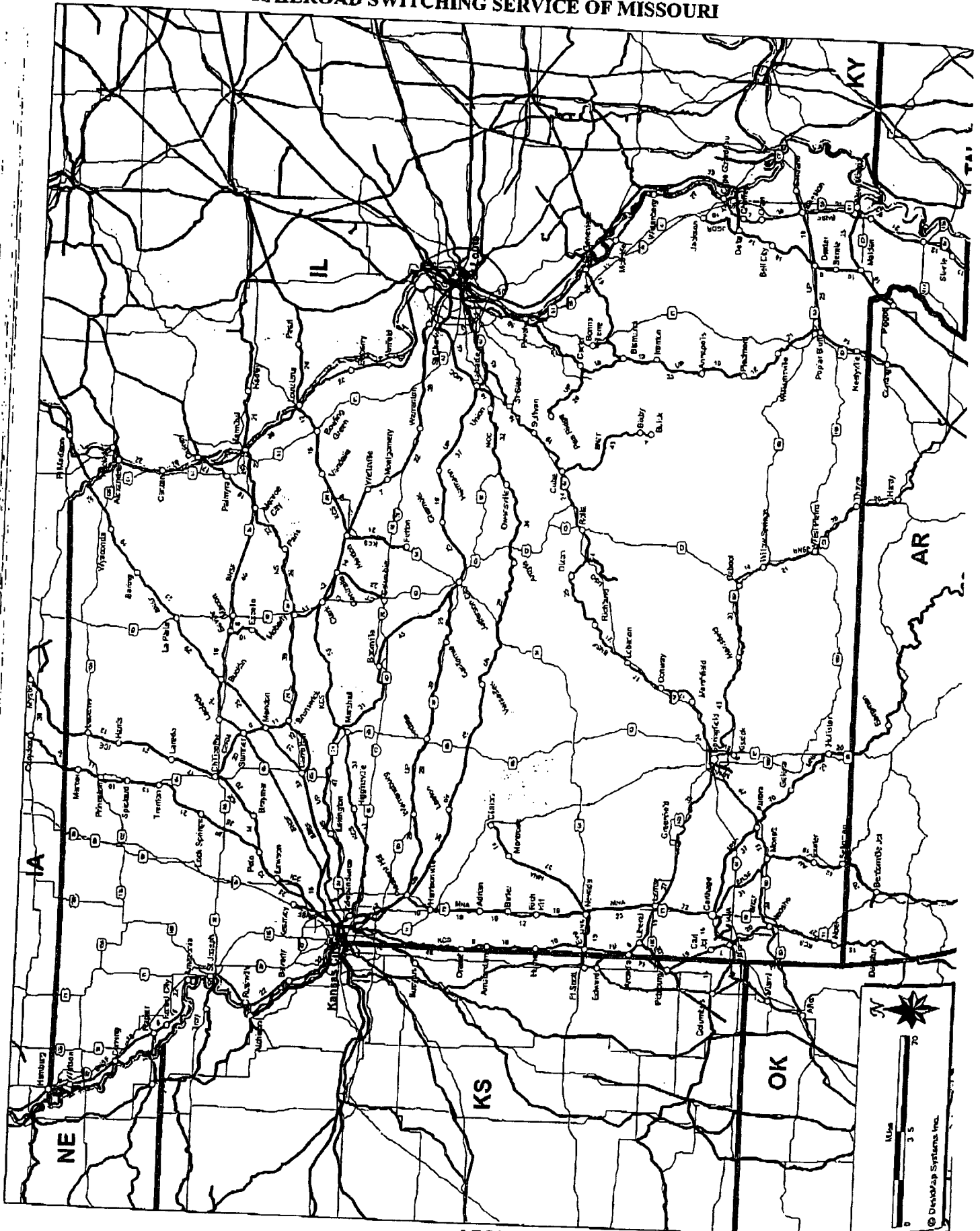
TEXAS • El Paso

**LONE STAR RAILROAD, INC.
SOUTHERN SWITCHING COMPANY**

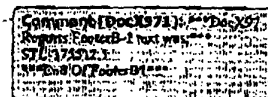


MISSOURI

RAILROAD SWITCHING SERVICE OF MISSOURI



APPENDIX 2

ASSIGNMENT OF RIGHT
TO ACQUIRE SHARES

THIS ASSIGNMENT OF RIGHT TO ACQUIRE SHARES (the "Agreement") is made as of this 14th day of December, 2005, by and between IRONHORSE RESOURCES, INC., a Missouri corporation. ("Assignor") and GREG CUNDIFF and CONNIE CUNDIFF, whose business address is 102 Willow Drive, O'Fallon, Illinois 62269 (collectively, "Assignees").

WHEREAS, Assignor has entered into that certain Agreement for the Purchase and Sale of 690 Shares of the Capital Stock of the Caney Fork & Western Railroad, dated as of _____, 2005 (the "Stock Purchase Agreement") with Keith S. Smart as Receiver of Black River Corporation, a Tennessee corporation ("Seller");

WHEREAS, Seller owns 690 shares of the capital stock of the Caney Fork & Western Railroad, Inc., a Tennessee corporation (the "Shares"), which Assignor has agreed to purchase pursuant to the terms of the Stock Purchase Agreement; and

WHEREAS, Assignor desires to transfer and assign to Assignees, all of Assignor's rights to acquire all of the Shares.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00), the mutual covenants contained herein and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignor assigns, transfers, and conveys to Assignees and their heirs and assigns, all of Assignor's rights arising under the Stock Purchase Agreement to acquire the Shares from Seller. Assignees may hold the Shares individually in such proportions as they deem appropriate.

2. Assignees accept the assignment of the above described purchase rights and agree to pay to the Seller the Purchase Price in accordance with the terms of the Stock Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CONNIE CUNDIFF

IRONHORSE RESOURCES, INC..

By: _____

GREG CUNDIFF

Title: _____

CFW - CHIAJ

**AGREEMENT FOR THE PURCHASE AND SALE
OF 690 SHARES OF THE CAPITAL STOCK OF
THE CANEY FORK AND WESTERN RAILROAD**

THIS AGREEMENT made and entered into by and between Keith S. Smartt, as Receiver of Black River Corporation, a Tennessee corporation ("Black River") (hereinafter referred to as the "Receiver" or the "Seller"), and Ironhorse Resources, Inc., a Missouri corporation (hereinafter the "Buyer").

WITNESSETH:

WHEREAS, by order entered July 11, 2003, by the Chancery Court of Warren County, Tennessee (the "Court"), in the matter of Sam G. Frissell vs. Jerry Pressley and Mike Kearley, Case No. 8636 (the "State Court Action"), Keith S. Smartt was appointed the Receiver of Black River pursuant to T.C.A. § 48-24-303, and Smartt thereafter duly qualified and is presently acting as such Receiver; and

WHEREAS, Black River is the legal owner of 690 shares of the capital stock (the "Stock") of The Caney Fork and Western Railroad, Inc., a Tennessee corporation (the "CF&WR"), the Stock being the principal asset of Black River; and

WHEREAS, the Receiver has been charged with the duty to liquidate all assets of Black River in accordance with applicable law and subject to the approval of the State Court, and the Receiver desires to sell, and the Buyer desires to purchase, the Stock upon and subject to the following terms, conditions and provisions; and

NOW, THEREFORE, FOR AND IN CONSIDERATION OF the premises, the mutual promises and covenants contained herein, and the sum of Ten Dollars (\$10.00), cash in hand paid by the Buyer to the Seller, the receipt and sufficiency of which are hereby acknowledged, the parties

do hereby stipulate and agree, subject only to obtaining the approval of the State Court in accordance with that certain Order entered June 13, 2005, in the State Court Action, as follows:

1. Incorporation of Recitals. The recitations set forth hereinabove are true and correct, and each of said statements is hereby incorporated herein by this reference as an additional agreement, covenant or representation of each party as appropriate.

2. Purchase and Sale of Stock. At the closing of the transactions contemplated hereby (the "Closing") on the Closing Date (as hereinafter defined) and upon and subject to the representations, warranties and agreements contained herein, Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer agrees to purchase on the terms set forth herein all the respective right, title and interest which Seller has or has power to convey in and to the Stock. The purchase price shall be the sum of Six Hundred Ninety Thousand Dollars (\$690,000.00) (the purchase price for the Stock being referred to hereinafter as the "Purchase Price").

3. Payment of the Purchase Price and Delivery of the Stock and Corporate Records. The Purchase Price shall be paid in full by cashier's check to the Seller at the Closing.

Seller shall deliver to Buyer at the Closing certificates representing the Stock duly endorsed for transfer, together with such assignments, certificates of authority, tax releases, consents to transfer, instruments and evidences of title as may be reasonably requested by Buyer, which instruments shall be satisfactory to counsel for Buyer, sufficient to convey to Buyer good and marketable title to the Stock, free and clear of all liens, security interests and encumbrances. In addition, at the Closing Seller shall deliver or cause to be delivered to Buyer the minute books, corporate seal, certificate of incorporation, by-laws, stock transfer records, and all other corporate

records relating to the CF&WR.

4. Closing. The Closing shall take place at the offices of the Seller, 113 East Morford Street, McMinnville, Tennessee, or such other place as shall be mutually agreed upon by the parties hereto on or before December 23, 2005, provided, however, that if one or more of the conditions to Closing set forth in numbered paragraphs 8, 9 or 10 herein shall remain unsatisfied on December 23, 2005, the Closing shall take place as soon as practicable upon the satisfaction of such conditions to Closing, but in no event later than December 31, 2005, unless mutually agreed upon in writing by the Buyer and Seller. The date and time of the Closing are herein referred to as the "Closing Date."

5. Representation and Warranties of Seller. Seller represents, warrants and agrees that:

(a) Organization and Good Standing. The CF&WR is, and on the Closing Date will be, a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, with full power and authority to own, lease and operate its respective properties and to carry on its businesses as now being conducted.

(b) Capitalization. The authorized capital stock of the CF&WR consists of 2000 shares of common stock, 850 of which shares are issued and outstanding. All shares of said common stock have been duly authorized and validly issued and are fully paid and nonassessable. To the best of Seller's knowledge, information and belief, no contract, commitment or undertaking of any kind has been made for the issuance of any additional shares of capital stock of the CF&WR, nor is there in effect or outstanding any subscription, option, warrant or other right to acquire any of such shares or any outstanding securities or other instruments convertible into or exchangeable for any of such shares.

(c) Ownership of Stock. Black River is the legal owner of the Stock, free and clear of any claims, charges, equities, liens (including tax liens), security interests and encumbrances whatsoever, excepting only the above-described lien in favor of the Coxes. Upon entry by the State Court of an order approving this Agreement and the transaction contemplated hereby, Seller will have full right, power and authority to sell, transfer, assign, convey and deliver the Stock; and delivery thereof on the Closing Date will convey to Buyer good and marketable title to the Stock, free and clear of any claims, charges, equities, liens (including tax liens), security interests and encumbrances whatsoever.

(d) Undisclosed Liabilities. To the best of Seller's knowledge, information and belief, the CF&WR does not have any liabilities or claims, fixed or contingent, direct or indirect, liquidated or unliquidated, except as disclosed in its books, records and financial statements. In this connection, the parties acknowledge that the following claims (collectively, the "Special Claims"), have been asserted against the CF&WR by reason of events or circumstances occurring or existing prior to the appointment of the Receiver:

(i) Fines aggregating approximately \$23,500.00, as assessed by the U.S. Department of Transportation, Federal Railroad Administration;

(ii) Claims resulting from the erroneous deposit by CSX of the sum of \$76,846.00 into the account of the CF&WR in April, 2003, none of which had been restored to CSXT as of the commencement of the State Court Action; and

(iii) Claims asserted by the Lytle-Brown Estate by complaint pending in the Chancery Court of Coffee County, Tennessee, relating to the so-called City Limits Tavern property.

Seller expressly agrees that as of the Closing each of the Special Claims shall have been compromised and settled or otherwise satisfied and discharged, with the exception of the claims described in clause (iii) above.

(e) Taxes. During the Receiver's tenure, the CF&WR has filed, or caused to be filed, with the appropriate federal, state and local governmental agencies all the required tax returns, and has paid, or caused to be paid all corporate franchise taxes, unemployment taxes, payroll taxes, social security taxes, occupation taxes, ad valorem taxes, property taxes, excise taxes and imposts, sales and use taxes, and all other taxes of every kind, character or description required to be paid to the date hereof, and all assessments, charges, penalties and interest shown to be due and payable or claimed to be due and payable thereon. To the best of the Receiver's knowledge, the CF&WR does not have any liability material in amount, contingent or otherwise, for any taxes, assessments, charges, penalties or interest. The CF&WR is not under audit or a party to any action or proceeding by any governmental authority for assessment or collection of taxes, charges, penalties or interest; nor has any claim for assessment or collection been asserted against the CF&WR; nor has the CF&WR executed a waiver of any statute of limitations with respect thereto.

(f) Licenses. Subject to the terms and conditions of that certain operating agreement between the Tri-County Railroad Authority and the CF&WR, the CF&WR has all the necessary licenses, contracts, consents and approvals. The CF&WR has all other franchises, permits, licenses and other authority as are necessary to enable it to conduct its business as now being conducted and as proposed to be conducted, and is not in default in any respect under any of such franchises, permits, licenses or other authority.

(g) Insurance. Seller has furnished to Buyer a list and brief description of all policies of fire, extended coverage, liability and all other kinds of insurance held by the CF&WR. Such policies are and, on the Closing Date will be, in full force and effect, and the CF&WR is not delinquent with respect to any premium payments thereon.

(h) Bank Accounts. Seller has furnished to Buyer a correct and complete list of each bank in which the CF&WR has accounts or safe deposit boxes, the designation of such accounts and the names of all persons authorized to draw thereon or to have access thereto.

(i) Brokers. There has been no broker or finder involved in any manner in the negotiations leading up to the execution of this Agreement, or the consummation of any transaction contemplated hereby, and Seller agrees to indemnify Buyer against, and hold Buyer harmless from, any claim made for a broker's or finder's fee or other similar payment based upon any agreements, arrangements or understandings made by Seller or the CF&WR.

(j) Consents. Except as set forth in the Court's order of June 13, 2005, no consent, approval or authorization of, or designation, declaration or filing with, any governmental or regulatory authority or agency is required in connection with the valid execution, delivery or performance of this Agreement, or the consummation of any transactions contemplated hereby.

(k) No Untrue Representation or Warranty. No representation or warranty contained in this Agreement nor any exhibits, statement, schedule or certificate furnished or to be furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

(1) Contracts and Agreements. All material contracts and agreements affecting the assets and/or operations of CF&WR (the "CF&WR Contracts") are in full force and effect and neither Seller nor CF&WR have received any notice of default from the other party to the CF&WR Contracts.

6. Representation and Warranties of Buyer. Buyer represents, warrants and agrees that:

(a) Buyer's Authority. Buyer has the full right, power and authority to execute, deliver and carry out the terms of this Agreement and all documents and agreements necessary to give effect to the provisions of this Agreement. This Agreement has been duly authorized, executed and delivered by Buyer and the execution of this Agreement and the consummation of the transactions contemplated hereby will not result in any conflict, breach or violation of, or default under, any charter, by-law, statute, judgment, order, decree, mortgage agreement, deed of trust, indenture or other instrument to which Buyer is a party or by which it is bound. All action and other authorizations prerequisite to the execution of this Agreement and the consummation of the transaction contemplated by this Agreement on its part to be performed have been taken or obtained by Buyer. This Agreement is a valid and binding agreement of Buyer enforceable in accordance with its terms.

(b) Brokers. There has been no broker or finder involved in any manner in the negotiations leading up to the execution of this Agreement, or the consummation of any transactions contemplated hereby, and Buyer agrees to indemnify Seller against and hold Seller harmless from any claims made for a broker's or finder's fee or other similar payment based upon any agreements, arrangements or understandings made by Buyer.

(c) Investment. Buyer is acquiring the Shares for investment purposes without any present view to sell, distribute or otherwise dispose of the Stock.

(d) No Untrue Representation or Warranty. No representation or warranty by Buyer in this Agreement, nor any statement or certificate furnished or to be furnished to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

7. Conduct of Business Pending the Closing. Seller agrees that from and after the date of this Agreement until the consummation of the Closing, the CF&WR will:

(a) carry on its business only in the ordinary course and in substantially the same manner as it has heretofore;

(b) keep in full force and effect insurance comparable in amount and scope of coverage to that now maintained by it;

(c) perform all its obligations under contracts, leases and documents relating to or affecting its assets, properties and business, all in the same manner as heretofore performed;

(d) maintain and preserve its business organizations intact, maintain its good will and relationships with its present officers, employees, suppliers, and others having a business relationship with it or any of them, and maintain all licenses and permits requisite to its business and operation;

(e) not commit itself to any capital expenditure in excess of \$1000;

(f) not waive any rights or cancel any debts or claim under any contract, lease,

agreement or commitment which involves the payment to or by it of more than \$1000, except as contemplated by this Agreement;

(g) not increase the compensation, direct or indirect, payable or to become payable to any of its officers or employees;

(h) not declare or make a dividend or other distribution in respect of its shares of stock nor directly or indirectly redeem, retire, purchase or otherwise reacquire any shares of its stock;

(i) not incur any liability out of the ordinary course of business;

(j) not suffer any material adverse change in the properties, conditions (financial or otherwise), assets, liabilities, business operations or prospects of the CF&WR;

(k) not transfer or sell any of its assets (except in the ordinary course of business);

(l) not enter into or assume any mortgage, pledge, conditional sale, security agreement, or create or suffer to be created any lien, encumbrance or charge (except for taxes not due or payable) of any kind upon any of its assets, whether now owned or hereafter acquired;

(m) not create or assume any obligation for borrowed money, or make any loans or advances to or assume, guarantee, endorse or otherwise become liable with respect to the obligations of any person or entity, except for the endorsement of checks, drafts and similar instruments for collection in the ordinary course of business;

(n) not take any other action that may have a material adverse effect on any of its assets, business, prospects or financial condition;

(o) not allow its outstanding capital stock to be increased, decreased, changed into or exchanged for a different number or kind of shares or securities in any manner, including

without limitation, through reorganization, reclassification, stock dividend, stock-split or reverse stock-split; nor grant any option or other right to acquire any security of the CF&WR;

(p) maintain in good working condition all buildings, equipment, vehicles, fixtures and other property;

(q) not amend its Certificate of Incorporation or By-Laws; and

(r) duly and timely file all tax returns with the appropriate federal, state and local governmental agencies and promptly pay when due all taxes, assessments, charges, penalties and interest lawfully levied or assessed upon it or any of its property.

8. Buyer's Conditions Precedent to Closing. Buyer's agreement to purchase and pay for the Stock is subject to delivery to Buyer at or prior to the Closing of (i) certificates representing the Stock as contemplated herein, and (ii) all corporate books and records, including without limitation, minute books, stock ledgers and transfer books and other financial records of the CF&WR, its corporate seal, and all other information and documentation required to be provided herein; and to compliance with and the occurrence of each of the following conditions, except as any thereof may be waived by Buyer:

(a) Each of the representations and warranties set forth in Paragraph 5 of this Agreement and in the Schedules delivered pursuant thereto shall be true and correct in all material respects at and as of the Closing Date and the covenants, agreements and conditions required by this Agreement to be performed and complied with in all material respects.

(b) Buyer shall have been furnished with a certificate, signed by the Receiver, dated as of the Closing Date, to the effect that,

(i) during the period from the date of signing of this Agreement until the Closing, the CF&WR has conducted its operations and business in all respects in conformity with Paragraph 7, and has performed all obligations imposed upon it by such Paragraph;

(ii) the CF&WR has good and marketable title in and to all the property owned by it, free and clear of all liens, security interests, encumbrances, claims, pledges or charges; and

(iii) all the representations and warranties of Seller contained in this Agreement and in any document delivered pursuant hereto are true and correct in all material respects as of the Closing Date as if made at and as of the Closing Date.

(c) Buyer shall have had an opportunity to review the CF&WR Contracts and the CF&WR Contracts are acceptable to Buyer in its reasonable discretion.

(d) Buyer shall be furnished with the results of an audit of the financial records and accounts of CF&WR prepared by an independent certified public accountant, which audit results shall be acceptable to Buyer in its reasonable discretion.

9. Seller's Conditions Precedent to Closing. Seller's agreement to sell and deliver the Stock is subject to payment by Buyer of the Purchase Price as provided in Section 3 hereof, and

compliance with and the occurrence of each of the following conditions, except as any thereof may be waived by Seller:

(a) Each of the representations and warranties set forth in Paragraph 6 hereof shall be true and correct in all material respects at and as of the Closing Date and the covenants, agreements and conditions required by this Agreement to be performed and complied with by Buyer shall have been performed and complied with in all material respects; and

(b) Buyer shall execute and deliver to Seller a certificate dated the Closing Date to such effect.

10. Additional Conditions Precedent to Closing. Buyer's agreement to purchase and pay for the Stock and Seller's agreement to sell and deliver the Stock is further subject to entry by the Court of a final order which approves this Agreement and the transactions contemplated hereby, which order shall not as of the Closing have been vacated, modified, stayed or reversed on appeal. Without limiting the generality of the foregoing, said order shall expressly provide that,

(a) All inter-company claims between CF&WR, as one party, and Black River or Indian Ridge Construction Co., as the other party (excepting only claims for amounts owing in respect of invoices for goods or services rendered by one party to the other in the ordinary course of business and after August 1, 2003) shall be mutually set off and any net amount owing by or to the CF&WR shall be cancelled and extinguished; and

(b) Each creditor of Black River or Indian Ridge Construction Co. shall look to their assets (in accordance with the Court's order of June 13, 2005), and shall have no resort to the assets or property of the CF&WR or any other entity.

11. Successors and Assigns. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors, heirs and assigns of the parties hereto, whether so expressed or not.

12. Governing Law. This Agreement is to be governed by and interpreted under the laws of the State of Tennessee, without giving effect to the principles of conflicts of law thereof.

13. Payment of Expenses. Seller and Buyer shall each pay their own expenses, including without limitation, the disbursements and fees of all their respective attorneys, accountants, advisors, agents and other representatives, incidental to the preparation and carrying out of this Agreement, whether or not the transactions contemplated hereby are consummated.

14. Merger. This Agreement and all other agreements and documents executed in connection herewith, constitute the entire agreement between the parties hereto with respect to the subject hereof and no amendment, alteration, or modification of this Agreement shall be valid unless in each instance such amendment, alteration or modification is expressed in a written amendment, alteration or modification, signed by the parties hereto.

15. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. Headings. The headings contained in this Agreement have been inserted for the convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

17. Other Documents. Each party to this Agreement will, at the request of the other, execute and deliver to such other party all such further assignments, endorsements and other documents as such other party may reasonably request in order to perfect the sale, transfer and delivery of the Stock, or otherwise to perform fully this Agreement.

18. Waiver. The failure of any party to insist in any one or more instances on performance of any of the terms and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant or condition, but the obligations of the parties with respect thereto shall continue in full force and effect.

19. Number and Gender. Where the context admits, words in the masculine gender shall include the feminine and neuter gender, and vice versa, the plural shall include the singular and the singular shall include the plural.

20. Time of the Essence. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

21. Severability. If any portion of this Agreement shall be deemed invalid or unenforceable for any reason or to any extent, then such portion shall remain valid and enforceable to the fullest extent possible. No invalidity or unenforceability of any portion of this Agreement shall affect the validity or enforceability of any other portion hereof.

22. Notices. Any and all notices, elections or demands permitted or required to be made under this Agreement shall be in writing, signed by the party giving such notice, election or demand, and shall be delivered personally, or sent by certified mail or nationally recognized overnight courier service (such as Federal Express) to the other party at the address set forth below, or at such other

address as may be supplied in writing and of which receipt has been acknowledged in writing. The date of personal delivery, the third after the date of mailing, or the business day after the date of delivery to such courier service, as the case may be, shall be deemed to be the date of the giving of such notice, election or demand. For the purposes of this Agreement, notices, elections or demands made pursuant hereto shall be made to the following addresses:

If to Buyer: Greg Cundiff
President
102 Willow Drive
O'Fallon, IL 62269

With a copy to: Kurt E. Johnson, Esq.
Schultz & Little, L.L.P.
2246 S. State Rt 157
Suite 350
Glen Carbon, IL 62034

If to Seller: Keith S. Smart, Esq.
P. O. Box 869-B
McMinnville, TN 37111

Street Address:
113 East Morford Street

With a copy to: Harry W. Camp, Esq.
111 West Court Square
McMinnville, TN 37111

IN WITNESS WHEREOF the parties have caused this Agreement to be executed at McMinnville, Tennessee, as of this 10th day of November, 2005.

| | |
|--------------------------------|---------------------------|
| SELLER: | BUYER: |
| | IRONHORSE RESOURCES, INC. |
| | By: <i>[Signature]</i> |
| Keith S. Smart, as Receiver of | Title: <i>President</i> |

Finance Docket No. 34809
APPENDIX 3

VERIFICATION

STATE OF ILLINOIS)) SS:
COUNTY OF COOK)

THOMAS F. McFARLAND, being duly sworn on oath, deposes and states that he has read the foregoing notice, that he knows the contents thereof, and that the facts therein stated are true and correct.



Thomas F. McFarland.

Thomas F. McFarland

SUBSCRIBED and SWORN
to before me this 16th
day of December, 2005.

Kathleen Lendon

Notary Public

My commission expires: 1/29/06

Finance Docket No. 34809

APPENDIX 4

CAPTION SUMMARY
SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION
(Finance Docket No. 34809)

GREGORY B. CUNDIFF, CONNIE CUNDIFF, CGX, INC.
AND IRONHORSE RESOURCES, INC. -- CONTROL
EXEMPTION -- CANEY FORK AND WESTERN RR, INC.

Gregory B. Cundiff (Mr. Cundiff), Connie Cundiff (Mrs. Cundiff), CGX, Inc. (CGX) and Ironhorse Resources, Inc. (Ironhorse) have filed a verified notice of exemption from 49 U.S.C. § 11324 for their control of Caney Fork and Western RR, Inc. (CFWR). The parties intend to consummate that transaction not sooner than seven days after filing of this notice of exemption.

CFWR will be owned by CGX, a noncarrier holding company. CGX owns Ironhorse, a noncarrier holding company. CGX is owned by Mr. and Mrs. Cundiff, individuals who are noncarriers. CGX owns the following rail carriers Mississippi Tennessee Holdings, LLC; Mississippi Tennessee Railroad, Inc.; Lone Star Railroad, Inc.; and Rio Valley Railroad, Inc. Ironhorse owns the following rail carriers: Railroad Switching Service of Missouri; Texas Railroad Switching, Inc.; Rio Valley Switching Company; and Southern Switching Company.

The proposed control is exempt from the prior approval requirements of 49 U.S.C. § 11324 by virtue of 49 C.F.R. § 1180.2(d)(2) because Mr. & Mrs. Cundiff, CGX and Ironhorse have certified that (1) the properties operated by CFWR and the rail carriers identified above do not connect with each other; (2) the continuance in control is not part of a series of anticipated transactions that would connect those carriers with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier.

As a condition to use of the exemption, any employees affected by the transaction will be protected by the conditions set forth in *New York Dock Ry. -- Control -- Brooklyn Eastern Dist.*, 360 ICC 60 (1979).

Petitions to revoke the exemption under 49 U.S.C. § 10502(d) can be filed at any time. The filing of a petition to revoke will not automatically stay the proposed transaction. If the notice of exemption contains false or misleading information the exemption is void *ab initio*. Any petitions to revoke filed with the Board must be served on Applicants' representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1194, (312) 236-0204.

(SEAL)

By the Board